

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6719

BILL NUMBER: HB 1326

NOTE PREPARED: Dec 28, 2010

BILL AMENDED:

SUBJECT: Assessment of undeveloped land.

FIRST AUTHOR: Rep. Steuerwald

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill eliminates a requirement that land in inventory be reassessed when title is transferred to a person who intends to construct a building on the land.

Effective Date: March 1, 2011 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under existing law, farmland is assessed at a lower rate than the rate at which residential, commercial, or industrial property is assessed. Land in a developer's inventory is not reassessed until the next assessment date following the earlier of the following dates: (1) the date on which land is transferred to a non-developer; (2) the date on which construction begins; or (3) the date on which the building permit is issued.

Beginning with March 1, 2011 assessments for taxes payable in 2012 under this bill, land that is transferred to person that will eventually own and occupy a building or structure to be built on the site would still be considered land in inventory and would not be subject to reassessment until construction begins or a building permit is issued. The bill would not apply to land already reassessed for the March 1, 2010 or earlier assessment dates.

This bill would delay the reassessment of some land in inventory which would delay adding assessed value to the tax base. This would, in turn, delay the tax rate reduction and tax shift from all property to the undeveloped land.

State Agencies Affected:

Local Agencies Affected: Local assessors.

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.